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Approved by:
Paul Spencer, Senior Agricultural Attaché
U.S. Embassy

Prepared by:
Kakuyu Obara, Agricultural Specialist

Report Highlights: Japan's 2009 beef consumption is projected stable at 1.18 million metric tons (MMT). Slow economic growth and building food inflation are taking the wind out of beef consumption, especially for high priced domestic beef. Total 2009 imports are projected to increase slightly to 676,000 MT, with Australia remaining the largest supplier. Imports of grain fed beef are expected to grow in 2009, with U.S. sales to Japan projected up by 20%, to 84,000 MT. Pork consumption is projected to remain historically high at 2.49 MMT. Total pork imports are projected to fall slightly from the previous year, to 1.24 MMT, with the United States remaining the largest supplier.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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2009 Beef Market Outlook

The Japanese beef and pork market outlook for 2009 was made based upon two assumptions:

- International prices of feed grains will remain relatively high level by historic standards.
- The Export Verification (EV) program with Japan will remain. Under the EV, only U.S. beef from animals 20 months or less may be exported to Japan.

Weaker Economy to Cap Beef Consumption in 2009

The weakening economy will be a significant factor affecting the Japan market for beef in 2009. Similar to 2008, relatively expensive beef is at a disadvantage relative to pork, chicken, and some processed products (especially those enjoying more favorable tariff treatment). (See Supplemental table I-a).

Japan's total beef consumption in 2009 is expected to remain unchanged from the previous year at 1.18 MMT. A slight reduction in the supply of domestic beef, projected down by 1% to 505,000 MT, will be offset by increased imports, projected up by 1% to 676,000 MT.

While prices for domestic beef will decline further in 2009, prices for imported beef will generally hold amid solid international demand from countries such as Russia.

U.S. Supply to Japan to Grow to Cope with Solid Demand for Grain Fed Beef

Recent industry survey's indicate that consumer acceptance of U.S. beef in Japan is improving as is trust in the U.S. regulatory system. This conclusion is supported by the fact that U.S. beef may now be bought in over 10,000 restaurants and retails throughout Japan and that imports are up dramatically in the first half of 2008. However, the supply of U.S. beef to Japan will continued to be limited by the EV program's age limitations.

Lower production and higher prices are forecast for U.S. beef in the first half of 2009 and this will force Japanese buyers to compete with other countries for supplies of grain fed beef, especially for certain cuts. Even with these constraints, imports are projected to grow by 20% over last year, to 84,000 MT (a meat equivalent of 60,000 MT) as more age verified animals are sourced. Enrollment by U.S. ranchers and feedlots in the Quality Assurance Program (QSA) and Process Verified Program (PVP) is also reportedly increasing, indicating there may be future capacity in the United States to produce age-verified beef.

Australia's Exports to Slip Slightly, but Grain Fed Beef Sales Likely Recover

Australia will remain the largest supplier of beef to Japan in 2009. However, trade sources predict that high priced feed grains and feeder calves, coupled with strong Australian dollar will slow Japanese purchases. A modest 1-2% decline from last year to 532,000 MT is projected for Japan's 2009 imports of Australian beef.

Improved availability of feed grains will help to increase the supply of grain fed beef (middle and short fed). This may raise grain fed beef sales to Japan in 2009.

On an additional note, some Australian packing plants are reportedly increasingly willing to supply specific beef cuts (e.g., short plate) to Japan, a business practice that is typically more common among U.S. suppliers. While this practice is still only a minor in the total exports, it does reflect an increase in segmentation for Australian suppliers that may ultimately influence market share.

Domestic Beef Not Yet Geared Toward Leaner Products

Affected by the weak economy, demand for domestic beef shifted somewhat from expensive cuts to less expensive. However, domestic producers have yet to adjust their production system to supply less highly marbled (and therefore expensive) beef. Of about a half million metric tons of beef produced in Japan (1.2 million head), approximately 40% is supplied from Wagyu breeds with the rest from dairy and F-1 cross bred cattle. However in Japan, most producers still aim to produce highly marble beef by raising heavy cattle (nearly 800 – 900 kg.) through long feeding periods (an average slaughter age are 30 – 33 month old for Wagyu, 27 months for F-1 and 22 months for Holstein).

GOJ Decision on JFY 2009 Beef Safeguard Trigger Levels yet to be Seen

For the past three years, Japan has set the beef import safeguard trigger levels using a relatively favorable formula (See JA7076). This move has been welcomed by major beef exporters to Japan amid strong concern that a sudden recovery in imports to pre-BSE levels would be slowed by the implementation of the safeguard. The process by which Japan's Tariff Council makes their recommendation on the trigger level is expected to start in fall of 2008 with a final decision before the beginning of the Japanese fiscal year on April 1, 2009.

2008 Beef Market Situation Update and Revised Outlook

Total Beef Imports Forecast to Lower, Down 3% in 2008

Total beef imports in 2008 are forecast 3% lower, at 669,000 MT, due mainly to a reduction in the supply of Australian grain fed beef. Imports of Australian beef are projected to decline by 5% from last year, to 525,000 MT (excluded processed products). High prices, reduced availability of grain fed animals, coupled with strong Australian dollar hampered trade. High price for Aussie beef for Japan in 2008 is also attributed to relatively solid demand in Asia, Middle-east and bulk purchases made by Russia in the first half (See supplemental table VI). For January – August in 2008, Australia's exports to Japan showed a 15% reduction of grain fed beef to Japan over the same period last year (See table 1). For the same period, less costly grass fed beef rose 5%, mainly trimmings for hamburger.

Limited, but Sales Expansion Seen for U.S. Beef in 2008

The supply of U.S. beef is projected to grow from last year, to around 70,000 MT, but the supply volume will remain limited this year, mainly constrained by the Export Verification program and high prices. As such, most of the U.S. sales are said to be concentrating in relatively less expensive cuts such as short plate, chuck eye roll, brisket and chuck rib.

Energy and Food Price Inflation Hit Domestic Production and Garner Subsidies

Japan's economy has been tested by energy and food price inflation and Japanese beef producers have also been hit. The domestic beef supply in 2008 is forecast to increase by 1% from last year, to 510,000 MT, owing to increased slaughters of beef breeds (See supplemental tables IV, V, VIII). Producer returns have evaporated due to falling wholesale carcass prices and higher imported feed costs.

In response, some beef producers have reportedly started to cut an average fattening period by a month or so to save the feed cost. They are also asking feed millers to use non-feed grain ingredients for their custom rations, so called "eco-feeds", that include residues from soy cake manufacturing and brewing byproducts. DDGS, an ethanol by-product, is said also increasingly being used in feed rations.

Cattle farmers are also increasingly enrolling into the formula mixed feed price stabilization program that include a significant deficiency payment scheme (see JA 8041).

Payments to feeder calf growers from so called "Cow Calf Deficiency Payment Scheme" (beef tariff revenue is the primary funding source for the program) have also started to rise, particularly for dairy breeds. Average auction prices for Holstein steer and F-1 cross bred animals have been dipping below the floor price set by the program this fiscal year (See supplemental table VIII).

2009 Pork Market Outlook

High Level Pork Consumption Sustained in 2009

Japan's continued import restrictions on U.S. beef and high beef prices will help sustain relatively high levels of pork consumption in 2009. Total consumption is projected only marginally lower at 2.488 million MT. Total pork imports are also projected to fall slightly to 1.242 million for the year.

Sales of U.S. Frozen Pork and Processed/Prepared Products to Expand in 2009

U.S. pork sales to Japan are expected to expand further in 2009, with a projection of two to three percent increase (546,000 MT). This is mostly due to expanded sales of frozen cuts. Following a series of food safety incidents linked to China, there will be somewhat less demand for Chinese processed foods in 2009, including of those made with meat and poultry. Japanese companies are expected to turn more toward domestic production of the prepared products and this will benefit sales of U.S. pork, especially frozen cuts. Also, for the same reason, Japanese imports of Chinese sausages will stall in 2009, providing U.S. suppliers with additional sales opportunities for seasoned ground pork (which has a lower import duty than most pork) and some finished products. However, sales of U.S. chilled pork may be slower in 2009 as the market copes with loin surplus from last year.

Total domestic pork production in 2009 is also projected slightly lower from last year, to 1.24 million MT, due to anticipated response from hog producers to softening market prices. Their profit return is expected to lower due to high feeding cost.

2008 Market Situation Update and Revised Market Outlook

Japanese Market Favored Pork over Beef in 2008

Japanese total pork consumption in 2008 is projected to increase from last year, up by 1% to 2.498 million MT. Amid energy and food price inflation, consumption trend favor relatively inexpensive food items. Households and food service companies and manufacturers have been choosing pork and chicken over expensive beef in 2008 (See supplemental table I-a).

Pork Imports Forecast to Grow, up 3% Supported by Solid Demand

Total pork imports in 2008 are projected up by 3%, to 1.248 million MT, due mainly to increased supplies of both chilled and frozen pork. Affordably priced chilled products have been preferred by both retail and some food service chains over more expensive domestic pork. Trade sources indicate there is strong demand for frozen cuts for use in ham, bacon and sausage manufacturing. An insecticide-related issue with Chinese dumplings last December encouraged Japanese food processors to source domestically. At about the same time, supplies of pork in China tightened. Japan’s imports of cooked prepared pork products from China, for those products under HS 1602.41, 1602.42, and 1602.49, also plummet 53% for the first seven months of 2008 from the same period last year (See table 3-d).

U.S. Sales to Japan to Stay Solid in 2008

The United States has been largest foreign suppliers of pork to Japan in 2008, followed by Canada and Mexico. For January – July 2008, imports of U.S. pork were; chilled cuts, up 13%, frozen cuts, up 23%, and processed/prepared products, up 23% (see tables 3-a, 3-b, and 3-c and 3-d)

Most of the U.S. products in the processed/prepared products category are seasoned ground pork for sausage manufacturers. U.S. growth was also boosted by increased ingredient demand for prepared pork products. According to World Trade Atlas data, Japan’s imports of sausages (finished products) for January – July 2008 under HS 1601.00 for the same period dropped 17% (or 20,445 MT on customs clearance basis). Of the above total, Chinese products declined 31%.

Denmark and Chile to Lose Their Sales Share

Denmark and Chile are expected to lose market share for frozen processing pork in 2008.

One factor in the decline in Danish sales is increased enforcement of the Gate Price system of calculating pork duties. Recently, a major supplier was charged with duty evasion and much of the pork was sourced from Denmark. However, Gate Price tariff fraud is not limited to suppliers from any one country. Stricter enforcement by Japanese authorities could disrupt the existing supply structure for less expensive frozen imported pork.

Sales of Chilean pork are falling in 2008 as a result of increased dioxin residue monitoring for imports. This was sparked by Korean allegations of dioxin in Chilean pork this summer. The Japanese government has asked Chile government for investigation and placed a temporary import suspension against some Chilean hog farms and has increased monitoring at Japanese ports for shipments from others. As a result, for January – July, imports of Chilean pork fell 22% (See table 3-a, 3-c).

Domestic Pork Production Forecast to Lower Slightly in 2008

Total pork domestic production in 2008 is projected to decline slightly from last year to 1.245 million MT (or 16.2 million heads). Total sow inventory was less than last year (910,000 head, down 1%). Monthly slaughter has stayed through the third quarter but is expected to recover somewhat in the fourth quarter. One reason for the fourth quarter recovery is the approval earlier this year of the Circo virus vaccine, which is expected to reduce piglet losses in Japan.

High market prices (See supplemental table VII) and feed subsidies offset high costs for swine farmers in 2008. However, industry sources predict market prices for domestic pork will likely soften soon since overall pork supply is expected to grow seasonally in the fourth quarter. A surplus reportedly exists for loins and this is pressuring prices. Market demand remains strong for lower value cuts such as shoulder, belly, and ham.

Notes to the reader:

Based on new reporting instructions, the following changes were introduced in the construction of the PS&D tables for beef and pork.

1. The conversion rate from PWE (Product Weight Equivalent) to CWE (Carcass Weight Equivalent) for beef/veal (HS 0201 and 0202) has been changed from 1.43 to use 1.40. For Japan, the conversion rate for prepared/processed beef products (HS 0210.20 & 1602.50) remains unchanged at 1.79.

2. Similarly, conversion rates used to calculate both pork (HS 0203.11, 0203.12, 0203.19, 0203.21, 020322, & 0203.29) and prepared/processed pork products (HS 0210.11, 0210.12, 0210.19, 1602.41, 1602.42 & 1602.49) have been changed from 1.43 to use 1.30.

3. An additional product code – HS 1602.49 prepared/processed products – has been added to fully capture trade in this product category. Inclusion of this item increases total import figures for pork.

4. Due to a limited availability of data, monthly year ending stocks have been reported in PWE covering generic beef and pork meat only and do not include prepared and processed products. New conversion rates are applied in this report in calculating CWE-based stock levels.

The PS&D tables do not contain official USDA forecasts.

Table 1 Australian Beef Exports to Japan

Metric Ton (On Board Vessel Basis)							
Annual	2006	2007	% Chg	07 Share	2007	2008	% Chg
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Aug	Jan/Aug	Jan/Aug
Chilled Beef (A) = (a) + (b)	210,125	185,141	-12%	100%	126,105	106,309	-16%
Chilled Grass (a)	72,810	62,331	-14%	34%	41,989	38,021	-9%
Chilled Grain fed (b)	137,315	122,810	-11%	66%	84,116	68,289	-19%
Frozen Beef (B) = (c) + (d)	195,671	192,722	-2%	100%	128,584	138,812	8%
Frozen Grass (c)	142,871	144,081	1%	75%	94,854	106,477	12%
Frozen Grain fed (d)	52,800	48,641	-8%	25%	33,730	32,335	-4%
Grand TOTAL (A) + (B)	405,796	377,864	-7%	100%	254,689	245,121	-4%
Grass Total (a) + (c)	215,681	206,413	-4%	55%	136,843	144,497	6%
Grain fed Total (b) + (d)	190,115	171,451	-10%	45%	117,846	100,624	-15%

Source: Meat Livestock Australia - http://www.aussiebeef.jp/b2b/3_summary/summary_03.aspx
Note: Data are compiled by Ag. Office Tokyo from Japanese data site.

Table 2-a) Japanese Beef Imports, Chilled and Frozen, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	**Country**	**2006**	**2007**	**2008**	**- 08/07 -**
		Jan/July	**Jan/July**	**Jan/July**	**Jan/July**
0	--World--	269,076	275,916	262,775	-5%
1	Australia	235,823	230,494	207,584	-10%
2	United States	621	16,602	27,298	64%
3	New Zealand	27,397	22,355	20,625	-8%
4	Mexico	3,581	4,161	5,203	25%
5	Canada	752	1,496	1,623	9%
6	Vanuatu	245	211	227	8%
7	Costa Rica	62	88	95	8%
8	Chile	370	322	75	-77%
9	Panama	165	183	40	-78%
10	Others	60	3	5	63%

Source of data: Japan Customs (World Trade Atlas)

Table 2-b) Japanese Beef Imports, Chilled, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	**Country**	**2006**	**2007**	**2008**	**- 08/07 -**
		Jan/July	**Jan/July**	**Jan/July**	**Jan/July**
0	--World--	125,556	126,269	114,538	-9%
1	Australia	119,711	111,767	92,083	-18%
2	United States	587	8,678	17,289	99%
3	New Zealand	3,204	3,532	3,345	-5%
4	Canada	678	1,195	1,012	-15%
5	Mexico	1,377	1,093	806	-26%
6	Others	0	3	3	-5%

Source of data: Japan Customs (World Trade Atlas)

Table 2-c) Japanese Beef Imports, Frozen, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change

Rank	Country	2006	2007	2008	- 08/07 -
		Jan/July	Jan/July	Jan/July	Jan/July
0	--World--	143,519	149,647	148,237	-1%
1	Australia	116,112	118,727	115,501	-3%
2	New Zealand	24,193	18,823	17,280	-8%
3	United States	34	7,924	10,009	26%
4	Mexico	2,204	3,068	4,397	43%
5	Canada	75	300	611	103%
6	Vanuatu	245	211	227	8%
7	Costa Rica	62	88	95	8%
8	Chile	370	322	75	-77%
9	Panama	165	183	40	-78%
10	Others	60	0	2	930%
Source of data: Japan Customs (World Trade Atlas)					

Table 2-d) Japanese Beef Imports, Processed/Prepared Beef Products, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	Country	2006	2007	2008	- 08/07 -
		Jan/July	Jan/July	Jan/July	Jan/July
0	--World--	10,795	8,155	5,288	-35%
1	Australia	4,628	3,938	2,492	-37%
2	Brazil	1,269	1,123	1,183	5%
3	New Zealand	831	873	756	-13%
4	China	3,919	1,928	709	-63%
5	Others	148	292	148	-49%
Source of data: Japan Customs (World Trade Atlas)					

Table 2-a) Japanese Pork Imports, Chilled and Frozen, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	Country	2006	2007	2008	- 08/07 -
		Jan/July	Jan/July	Jan/July	Jan/July
0	--World--	429,980	444,530	475,069	7%
1	United States	146,103	157,798	193,225	22%
2	Canada	90,404	98,630	98,353	0%
3	Denmark	102,977	93,968	89,269	-5%
4	Mexico	23,274	27,007	30,843	14%
5	Chile	30,319	29,524	22,900	-22%
6	Spain	4,844	7,350	9,510	29%
7	Hungary	7,893	4,180	6,352	52%
8	Netherlands	2,237	4,537	5,991	32%
9	Austria	3,757	5,554	5,025	-10%
10	France	6,759	5,328	4,352	-18%
11	Ireland	5,412	4,324	2,900	-33%
12	Poland	0	1,361	2,699	98%
13	Others	6,001	4,968	3,649	-27%
Source of data: Japan Customs (World Trade Atlas)					

Table 3-b) Japanese Pork Imports, Chilled, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	Country	2006	2007	2008	- 08/07 -
		Jan/July	Jan/July	Jan/July	Jan/July
0	--World--	125,718	134,483	150,389	12%
1	United States	88,529	92,536	104,561	13%
2	Canada	29,590	33,326	36,425	9%
3	Mexico	6,444	7,958	8,922	12%
4	Australia	931	623	349	-44%
5	Others	223	39	131	234%
Source of data: Japan Customs (World Trade Atlas)					

Table 3-c) Japanese Pork Imports, Frozen, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	Country	2006	2007	2008	- 08/07 -
		Jan/July	Jan/July	Jan/July	Jan/July
0	--World--	304,263	310,047	324,680	5%
1	Denmark	102,849	93,968	89,188	-5%
2	United States	57,573	65,262	88,664	36%
3	Canada	60,814	65,304	61,928	-5%
4	Chile	30,295	29,524	22,900	-22%
5	Mexico	16,830	19,049	21,922	15%
6	Spain	4,808	7,323	9,480	29%
7	Hungary	7,869	4,180	6,352	52%
8	Netherlands	2,237	4,537	5,991	32%
9	Austria	3,757	5,554	5,025	-10%
10	France	6,750	5,319	4,336	-18%
11	Ireland	5,412	4,324	2,900	-33%
12	Poland	0	1,361	2,699	98%
13	Others	5,069	4,343	3,295	-24%
Source of data: Japan Customs (World Trade Atlas)					

Table 3-d) Japanese Pork Imports, Processed and Prepared Products, CY 2006 – 2008 (January – July Period)

Quantity: Metric Ton (Customs Clearance Basis)					
					% Change
Rank	Country	2006	2007	2008	- 08/07 -
		Jan/July	Jan/July	Jan/July	Jan/July
0	--World--	92,555	97,956	91,472	-7%
1	United States	40,198	45,011	55,401	23%
2	China	33,226	36,964	17,494	-53%
3	Canada	10,455	5,847	7,249	24%
4	Thailand	2,869	2,725	3,843	41%
5	Denmark	2,889	2,577	2,599	1%
6	Chile	274	1,921	2,417	26%
7	Others	2,644	2,912	2,469	-15%
Source of data: Japan Customs (World Trade Atlas)					

Cattle PS&D

Animal Numbers, Cattle Japan	2007		2008		2009		
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		
	Annual Data Displayed		Annual Data Displayed		Annual Data Displayed		
	USDA	New Post	USDA	New Post	USDA	New Post	
Total Cattle Beg. Stks	4391	4391	4410	4398		4400	(1000 HEAD)
Dairy Cows Beg. Stocks	871	871	870	862		865	(1000 HEAD)
Beef Cows Beg. Stocks	635	635	615	667		650	(1000 HEAD)
Production (Calf Crop)	1405	1425	1390	1425		1425	(1000 HEAD)
Intra-EU Imports	0	0	0	0		0	(1000 HEAD)
Other Imports	25	25	23	21		20	(1000 HEAD)
Total Imports	25	25	23	21		20	(1000 HEAD)
Total Supply	5821	5841	5823	5844		5845	(1000 HEAD)
Intra EU Exports	0	0	0	0		0	(1000 HEAD)
Other Exports	0	0	0	0		0	(1000 HEAD)
Total Exports	0	0	0	0		0	(1000 HEAD)
Cow Slaughter	539	539	545	545		540	(1000 HEAD)
Calf Slaughter	8	8	8	8		8	(1000 HEAD)
Other Slaughter	659	659	647	665		660	(1000 HEAD)
Total Slaughter	1206	1206	1200	1218		1208	(1000 HEAD)
Loss	205	237	203	226		227	(1000 HEAD)
Ending Inventories	4410	4398	4420	4400		4410	(1000 HEAD)
Total Distribution	5821	5841	5823	5844		5845	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0		0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0		0	(1000 HEAD)

Beef PS&D

Meat, Beef and Veal Japan	2007		2008		2009		
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		
	Annual Data Displayed		Annual Data Displayed		Annual Data Displayed		
	USDA	New Post	USDA	New Post	USDA	New Post	
Slaughter (Reference)	1206	1206	1200	1218		1208	(1000 HEAD)
Beginning Stocks	103	103	111	111		109	(1000 MT CWE)
Production	504	504	500	510		505	(1000 MT CWE)
Intra-EU Imports	0	0	0	0		0	(1000 MT CWE)
Other Imports	686	687	650	669		676	(1000 MT CWE)
Total Imports	686	687	650	669		676	(1000 MT CWE)
Total Supply	1293	1294	1261	1290		1290	(1000 MT CWE)
Intra EU Exports	0	0	0	0		0	(1000 MT CWE)
Other Exports	0	0	0	0		0	(1000 MT CWE)
Total Exports	0	0	0	0		0	(1000 MT CWE)
Human Dom. Consumption	1182	1183	1157	1181		1180	(1000 MT CWE)
Other Use, Losses	0	0	0	0		0	(1000 MT CWE)
Total Dom. Consumption	1182	1183	1157	1181		1180	(1000 MT CWE)
Ending Stocks	111	111	104	109		110	(1000 MT CWE)
Total Distribution	1293	1294	1261	1290		1290	(1000 MT CWE)
CY Imp. from U.S.	34	48	50	70		84	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0		0	(1000 MT CWE)

Swine PS&D

Animal Numbers, Swine Japan	2007		2008		2009		
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		
	Annual Data Displayed		Annual Data Displayed		Annual Data Displayed		
	USDA	New Post	USDA	New Post	USDA	New Post	
Total Beginning Stocks	9759	9759	9770	9745		9745	(1000 HEAD)
Sow Beginning Stocks	915	915	915	910		905	(1000 HEAD)
Production (Pig Crop)	17000	17000	16900	16950		16880	(1000 HEAD)
Intra-EU Imports	0	0	0	0		0	(1000 HEAD)
Other Imports	0	0	0	0		0	(1000 HEAD)
Total Imports	0	0	0	0		0	(1000 HEAD)
Total Supply	26759	26759	26670	26695		26625	(1000 HEAD)
Intra EU Exports	0	0	0	0		0	(1000 HEAD)
Other Exports	0	0	0	0		0	(1000 HEAD)
Total Exports	0	0	0	0		0	(1000 HEAD)
Sow Slaughter	0	0	0	0		0	(1000 HEAD)
Other Slaughter	16265	16265	16150	16200		16140	(1000 HEAD)
Total Slaughter	16265	16265	16150	16200		16140	(1000 HEAD)
Loss	724	749	760	750		750	(1000 HEAD)
Ending Inventories	9770	9745	9760	9745		9735	(1000 HEAD)
Total Distribution	26759	26759	26670	26695		26625	(1000 HEAD)
CY Imp. from U.S.	50	0	0	0		0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0		0	(1000 HEAD)

Pork PS&D

Meat, Swine Japan	2007		2008		2009		
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		
	Annual Data Displayed		Annual Data Displayed		Annual Data Displayed		
	USDA	New Post	USDA	New Post	USDA	New Post	
Slaughter (Reference)	16265	16265	16150	16200		16140	(1000 HEAD)
Beginning Stocks	221	221	209	208		203	(1000 MT CWE)
Production	1250	1250	1240	1245		1240	(1000 MT CWE)
Intra-EU Imports	0	0	0	0		0	(1000 MT CWE)
Other Imports	1210	1209	1250	1248		1242	(1000 MT CWE)
Total Imports	1210	1209	1250	1248		1242	(1000 MT CWE)
Total Supply	2681	2680	2699	2701		2685	(1000 MT CWE)
Intra EU Exports	0	0	0	0		0	(1000 MT CWE)
Other Exports	0	0	0	0		0	(1000 MT CWE)
Total Exports	0	0	0	0		0	(1000 MT CWE)
Human Dom. Consumption	2472	2472	2504	2498		2488	(1000 MT CWE)
Other Use, Losses	0	0	0	0		0	(1000 MT CWE)
Total Dom. Consumption	2472	2472	2504	2498		2488	(1000 MT CWE)
Ending Stocks	209	208	195	203		197	(1000 MT CWE)
Total Distribution	2681	2680	2699	2701		2685	(1000 MT CWE)
CY Imp. from U.S.	443	459	475	533		546	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0		0	(1000 MT CWE)

Supplemental Tables

I-a) Monthly Average Quantities of Beef, Pork and Chicken Purchased per Household CY 2008 YTD

	Beef				Pork				Chicken			
2007	Expenditure		Quantity		Expenditure		Quantity		Expenditure		Quantity	
Jan.	1,751	3%	578	4%	1,992	5%	1,488	6%	932	5%	1,027	8%
Feb.	1,540	2%	504	-2%	1,906	3%	1,398	1%	874	2%	936	-2%
Mar.	1,696	5%	569	5%	1,978	3%	1,482	2%	941	6%	1,074	9%
Apr.	1,647	0%	602	10%	1,934	3%	1,494	7%	913	2%	1,030	5%
May	1,705	1%	594	4%	1,943	1%	1,487	3%	893	2%	1,028	6%
Jun.	1,576	1%	544	-5%	1,889	3%	1,415	0%	852	2%	970	1%
July	1,662	2%	562	-2%	1,973	5%	1,441	5%	868	8%	963	9%
Aug.	1,859	-1%	613	2%	1,931	0%	1,370	-2%	821	7%	900	6%
Sept.	1,577	2%	544	3%	1,962	2%	1,453	5%	897	-1%	1,005	-1%
Oct.	1,598	-2%	532	-7%	2,066	3%	1,525	2%	973	3%	1,051	2%
Nov.	1,549	-2%	526	-5%	2,107	5%	1,571	3%	1,011	5%	1,084	3%
Dec.	2,711	0%	719	-4%	2,240	3%	1,599	-1%	1,322	6%	1,312	-2%
2008												
Jan.	1,694	-3%	548	-5%	2,037	2%	1,455	-2%	1,001	7%	1,009	-2%
Feb.	1,624	5%	523	4%	2,136	12%	1,536	10%	1,056	21%	1,066	14%
Mar.	1,669	-2%	574	1%	2,112	7%	1,541	4%	1,052	12%	1,101	3%
Apr.	1,641	0%	535	-11%	2,090	8%	1,537	3%	1,037	14%	1,021	-1%
May	1,737	2%	580	-2%	2,118	9%	1,532	3%	1,041	17%	1,042	1%
Jun.	1,577	0%	533	-2%	2,088	11%	1,503	6%	1,004	18%	1,006	4%
July	1,621	-2%	518	-8%	2,051	4%	1,427	-1%	931	7%	906	-6%
Aug.												
Sept.												
Oct.												
Nov.												
Dec.												

Source: Ministry of Internal Affairs and Communication Bureau - http://www.stat.go.jp/english/data/index.htm
Note: Data are compiled by Ag. Office Tokyo from Japanese data site.

I-b) Average Annual Quantities and Expenditures of Beef, Pork and Chicken Purchased per Household (Two-or-more person households)

	Beef				Pork				Chicken			
	Quantity		Expenditure		Quantity		Expenditure		Quantity		Expenditure	
CY	gram	% Chg	Yen	% Chg	gram	% Chg	Yen	% Chg	gram	% Chg	Yen	% Chg
2001	8,252	-19%	21,157	-19%	16,584	2%	21,157	-19%	11,764	1%	10,875	2%
2002	7,688	-7%	19,982	-6%	17,168	4%	19,982	-6%	12,110	3%	11,441	5%
2003	7,862	2%	21,374	7%	16,376	-5%	21,374	7%	11,553	-5%	10,649	-7%
2004	7,059	-10%	20,918	-2%	17,304	6%	20,918	-2%	10,849	-6%	10,052	-6%
2005	7,195	2%	21,324	2%	17,407	1%	21,324	2%	11,647	7%	10,749	7%
2006	6,891	-4%	20,705	-3%	17,305	-1%	20,705	-3%	11,985	3%	10,871	1%
2007	6,869	0%	20,868	1%	17,723	2%	20,868	1%	12,379	3%	11,295	4%

Source: Ministry of Internal Affairs and Communication Bureau - http://www.stat.go.jp/english/data/index.htm
Note: Data are compiled by Ag. Office Tokyo from Japanese data site.

II. Beef Safeguard Monitor for JFY 2007 - 2008

Beef Safeguard Trigger Levels for JFY 2007 and Actual Imports (H19)

Unit: Metric Ton (Customs Clearance Basis)

Chilled Beef	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	74,339	57,587	19,346	18,659	19,582
			July	August	September
I - II (Apr. - Sept.)	152,455	111,778	18,789	18,823	16,579
			October	November	December
II - III (Apr. - Dec.)	230,642	165,731	18,461	18,012	17,480
			January	February	March
III - IV (Apr. - Mar.)	292,354	208,853	11,240	14,638	17,244
Frozen Beef	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	78,475	70,895	22,697	24,119	24,079
			July	August	September
I - II (Apr. - Sept.)	160,040	132,880	17,734	16,916	27,335
			October	November	December
II - III (Apr. – Dec.)	246,871	196,210	17,447	16,902	28,981
			January	February	March
III - IV (Apr. - Mar.)	323,924	251,787	15,219	17,801	22,557

Beef Safeguard Trigger Levels for JFY 2008 and Actual Imports (H20) Year to Date

Chilled Beef	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	74,339	52,403	16,621	17,766	18,016
			July	August	September
I - II (Apr. - Sept.)	152,455	52,403	0	0	0
			October	November	December
II - III (Apr. – Dec.)	230,642	52,403	0	0	0
			January	February	March
III - IV (Apr. - Mar.)	292,354	52,403	0	0	0
Frozen Beef	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	82,947	71,065	21,940	20,403	28,722
			July	August	September
I - II (Apr. - Sept.)	160,040	71,065	0	0	0
			October	November	December
II - III (Apr. – Dec.)	246,871	71,065	0	0	0
			January	February	March
III - IV (Apr. - Mar.)	323,924	71,065	0	0	0

Source: Ministry of Finance (Agriculture & Livestock Industry Corporation) - http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm
Note: Data are compiled by Ag. Office Tokyo from Japanese data site.

Note: For JFY 2006, JFY 2007 and JFY 2008 beef SG trigger levels, the levels are determined based on a special measure by GOJ as per our voluntary report.

III. Japanese Pork Safeguard Monitor JFY 2007 - 2008

Pork Safeguard Trigger Levels for JFY 2007 and Actual Imports (H19)					
					Unit: Metric Ton (Customs Clearance Basis)
	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	318,036	187,206	58,937	69,385	58,884
			July	August	September
I - II (Apr. - Sept.)	554,816	368,369	61,116	67,972	52,075
			October	November	December
II - III (Apr. – Dec.)	767,001	549,125	61,117	60,235	59,404
			January	February	March
III - IV (Apr. - Mar.)	976,823	718,307	54,517	54,033	60,632
Pork Safeguard Trigger Levels for JFY 2008 and Actual Imports Year to Date (H20)					
	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	266,645	205,774	70,932	70,951	63,891
			July	August	September
I - II (Apr. - Sept.)	495,418	205,774	0	0	0
			October	November	December
II - III (Apr. - Dec.)	708,728	205,774	0	0	0
			January	February	March
III - IV (Apr. - Mar.)	917,530	205,774	0	0	0
Source: Ministry of Finance (Agriculture & Livestock Industry Corporation) - http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm Note: Data are compiled by Ag. Office Tokyo from Japanese data site.					

IV. Japanese Cattle Inventory as of February 1st, 2008

	2006	%chg	2007	%chg	2008	%chg
Number of Beef Cattle Farms (1,000 farms)	85.6	-4%	82.3	-4%	80.4	-2%
Number of Dairy Farms (1,000 farms)	26.6	-4%	25.4	-5%	24.4	-4%
						Unit: 1,000 heads
Wagyu and Other Beef Breeds (A)	1,703	0%	1,742	2%	1,823	5%
Holstein for Beef (a)	468	-0%	460	-2%	431	-6%
Wagyu and Holstein F-1 Cross-bred Cattle (b)	584	1%	604	3%	636	5%
'Sub Total Dairy & F-1 Cattle for Beef (B) = (a) + (b)	1,052	0%	1,064	1%	1,067	0%
Total Beef Cattle Raised (C) = (A) + (B)	2,755	0%	2,806	2%	2,890	3%
Total Dairy Cows and Heifers for Milking (D)	1,636	-1%	1,592	-3%	1,533	-4%
Grand Total for Cattle Raised in Japan (C) + (D)	4,391	-1%	4,398	-1%	4,423	-1%
Source: MAFF Livestock Statistics (As of February 1, 2008) - http://www.maff.go.jp/esokuhou/index.html Note: Data are compiled by Ag. Office Tokyo from Japanese data site.						

V. Quarterly Average Wholesale Price of Medium Grade Beef Carcasses, Tokyo Market, JFY 2006 – 2008

WAGYU STEER A-3 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	1,957	1,986	1,975	2,004	1,981
2007	1,894	1,856	1,822	1,857	1,857
%chg	-3%	-7%	-8%	-7%	-6%
2008	1,807	1,639			
%chg	-5%	-12%			
Note: Wagyu steer average slaughtering age is about 32 - 33 months old.					
WAGYU STEER A-2 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	1,723	1,711	1,656	1,616	1,676
2007	1,645	1,533	1,469	1,421	1,517
%chg	-4%	-10%	-11%	-12%	-9%
2008	1,539	1,339			
%chg	-6%	-13%			
Holstein Steer B-2 Grade					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	874	903	807	899	871
2007	826	779	716	730	763
%chg	-5%	-14%	-11%	-19%	-12%
2008	768	801			
%chg	-7%	3%			
Note: Holstein steer average slaughtering age is about 21- 22 months old.					
F1 Cross Breed Steer B-3 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	1,487	1,449	1,438	1,462	1,461
2007	1,371	1,343	1,324	1,362	1,355
%chg	-8%	-7%	-8%	-7%	-7%
2008	1,287	1,256			
%chg	-6%	-6%			
Note: F1 Cross bred steer average slaughtering age is about 26 – 27 months old.					
F1 Cross Breed Steer B-2 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	1,308	1,247	1,158	1,229	1,236
2007	1,185	1,132	1,080	1,073	1,117
%chg	-9%	-9%	-7%	-13%	-10%
2008	1,085	1,064			
%chg	-8%	-6%			
Source: ALIC - http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm Note: Data are compiled by Ag. Office Tokyo from Japanese data site.					

VI. Quarterly Average Wholesale Price of Imported Beef Cuts, Tokyo Market, JFY 2006 – 2008

					Unit: Yen per Kilogram
Full Set, Aussie Beef, Chilled, (Short Grain Fed)					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	949	904	903	966	930
2007	938	930	959	1,042	967
%chg	-1%	3%	6%	8%	4%
2008	1,017	1,004			
%chg	8%	8%			
Full Set, Aussie Beef, Chilled, (Grass Fed)					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	812	761	792	872	810
2007	854	817	817	861	837
%chg	5%	7%	3%	-1%	3%
2008	856	771			
%chg	0%	-6%			
Navel-end Brisket, Aussie Beef, Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	703	696	753	743	724
2007	687	638	640	617	645
%chg	-2%	-8%	-15%	-17%	-11%
2008	652	598			
%chg	-5%	-6%			
Chuck & Blade, Aussie Beef, Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	573	532	543	591	560
2007	575	568	563	551	564
%chg	0%	7%	4%	-7%	1%
2008	559	575			
%chg	-3%	1%			
Top Side, Aussie Beef, Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	624	583	634	686	632
2007	653	618	637	691	650
%chg	5%	6%	1%	1%	3%
2008	675	675			
%chg	3%	9%			
Trimming, Aussie Beef, Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2006	452	436	438	441	442
2007	445	452	450	448	449
%chg	-1%	4%	3%	2%	2%
2008	446	517			
%chg	0%	14%			

Source: ALIC - http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm
Note: Data are compiled by Ag. Office Tokyo from Japanese data site.

VII. Quarterly Average Wholesale Price of Domestic Pork Carcass, Tokyo Market, JFY 2003 - 2008

Unit: Yen per Kg.

Excellent Grade

Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2003	413	460	426	397	424
2004	498	487	523	424	483
% chg	21%	6%	23%	7%	14%
2005	472	496	509	443	480
% chg	-5%	2%	-3%	4%	-1%
2006	442	501	513	444	475
% chg	-6%	1%	1%	0%	-1%
2007	447	507	546	490	498
% chg	1%	1%	6%	10%	5%
2008	532	571			
% chg	19%	13%			

Medium Grade

Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2003	362	408	359	332	365
2004	438	427	465	381	428
% chg	21%	5%	29%	15%	17%
2005	426	464	482	416	447
% chg	-3%	9%	4%	9%	5%
2006	412	476	488	417	448
% chg	-3%	3%	1%	0%	0%
2007	413	473	508	457	463
% chg	0%	-0%	4%	10%	3%
2008	499	549			
% chg	21%	16%			

Source: ALIC - http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm
Note: Data are compiled by Ag. Office Tokyo from Japanese data site.

VIII. Average Monthly Auction Prices for Feeder Calves

Black Wagyu (Steer and Heifer)					
	Marketed	Auction Ave.	Ave. Weight	Ave. Age.	Price Per Kg.
	Head	1,000 Yen/Head	Kg.	Days	Yen
JFY 2003	366,797	415	273	286	1,522
JFY 2004	357,990	459	272	285	1,687
% Chg.	-2%	11%	0%	0%	11%
JFY 2005	361,549	488	273	284	1,787
% Chg.	1%	6%	0%	0%	6%
JFY 2006	364,403	509	276	282	1,843
% Chg.	1%	4%	1%	-1%	3%
JFY 2007	369,243	491	278	282	1,763
% Chg.	1%	-4%	1%	0%	-4%
JFY 2007: Yen 304,000 per head - Standard Guarantee Price Level (a subsidy floor) for Cow Calf Deficiency Program					
Apr.	29,889	515	281	285	1,830
May	35,154	492	279	283	1,762
Jun.	27,284	487	283	285	1,725
Jul.	32,230	485	278	281	1,747
Aug.	21,937	502	279	282	1,800
Sept.	31,055	499	276	280	1,811
Oct.	27,784	499	278	282	1,794
Nov.	31,979	492	275	280	1,788
Dec.	32,952	495	275	279	1,798
Jan.	34,522	485	274	282	1,769
Feb.	27,148	486	278	283	1,748
Mar.	37,305	462	276	282	1,674
JFY 2008: Yen 310,000 per head - Standard Guarantee Price Level for Cow Calf Deficiency Program					
Apr.	30,870	443	282	286	1,595
May	36,545	412	281	285	1,462
Jun.	26,935	395	285	287	1,385
Jul.	33,340	380	279	284	1,366
Holstein (Steer and Female)					
	Marketing	Auction Ave.	Ave. Weight	Ave. Age.	Price Per Kg.
	Head	1,000 Yen/Head	Kg.	Days	Yen
JFY 2003	18,303	54	272	228	199
JFY 2004	18,879	68	267	231	253
% Chg.	3%	26%	-2%	1%	27%
JFY 2005	18,221	98	259	225	382
% Chg.	-3%	44%	-3%	-3%	51%
JFY 2006	15,877	115	274	230	421
% Chg.	-13%	17%	6%	2%	10%
JFY 2007	15,877	115	274	230	421
% Chg.	0%	0%	0%	0%	0%
JFY 2007: Yen 110,000 - Standard Guarantee Price Level for Cow Calf Deficiency Program					
Apr.	1,258	120	271	229	441
May	1,304	115	272	230	422
Jun.	1,125	113	281	230	401
Jul.	1,109	104	276	229	377

Aug.	1,144	92	284	229	325
Sept.	951	85	282	230	303
Oct.	993	86	278	234	310
Nov.	1,025	96	274	227	350
Dec.	783	94	264	226	356
Jan.	765	92	259	221	354
Feb.	891	97	267	221	364
Mar.	949	91	260	226	349
JFY 2008: Yen 116,000 - Standard Guarantee Price Level for Cow Calf Deficiency Program					
Apr.	1,140	91	277	234	327
May	928	96	276	229	347
Jun.	944	99	276	233	357
Jul.	979	91	276	229	328

F1 Cross Breed (Steer and Heifer)					
	Marketing	Auction Ave.	Ave. Weight	Ave. Age.	Price Per Kg.
	Head	1,000 Yen/Head	Kg.	Days	Yen
JFY 2003	74,388	210	275	254	766
JFY 2004	78,702	228	276	254	826
% Chg.	6%	9%	0%	0%	8%
JFY 2005	80,744	254	276	252	920
% Chg.	3%	11%	0%	-1%	11%
JFY 2006	77,204	256	282	252	911
% Chg.	-4%	1%	2%	0%	-1%
JFY 2007	83,673	212	288	251	736
% Chg.	8%	-17%	2%	0%	-19%
JFY 2007: Yen 175,000 - Standard Guarantee Price Level for Cow Calf Deficiency Program					
Apr.	6,984	253	285	255	888
May	7,178	239	287	253	830
Jun.	7,351	232	290	254	801
Jul.	6,327	222	286	248	775
Aug.	6,576	212	288	250	735
Sept.	7,246	203	294	258	690
Oct.	7,598	195	290	255	671
Nov.	7,040	199	288	253	691
Dec.	6,790	200	284	253	703
Jan.	6,668	199	289	258	688
Feb.	6,949	193	285	257	677
Mar.	6,966	196	285	256	687
JFY 2008: Yen 181,000 - Standard Guarantee Price Level for Cow Calf Deficiency Program					
Apr.	7,668	183	290	259	631
May	8,096	172	295	261	584
Jun.	7,620	153	294	258	520
Jul.	7,510	151	291	254	517
Note: F1 Cross Breed: Wagyu crossed with Holstein cow.					
Source: ALIC - http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm Note: Data are compiled by Ag. Office Tokyo from Japanese data site.					